

# Social Security: What It Means To You, A Young Worker

As a young person, you may question the value of Social Security. You see the Social Security taxes (also known as F.I.C.A. taxes) deducted from your pay and wonder, "Why now?" Although you know Social Security pays retirement benefits, you know your retirement is a lifetime away. What are you getting today for your tax dollars? If you're in a job that's covered by Social Security, you're getting valuable protection that is available today — not just when you retire.

## While you're working

You're probably paying Social Security tax on your earnings. Almost all jobs are covered by Social Security, which is a pay-as-you-go system. The Social Security taxes paid by today's more than

140 million workers are used to pay disability, survivor and retirement benefits to more than 43 million men, women and children. These taxes also help pay for Medicare hospital insurance for 41 million aged and disabled people.

When your earnings stop, or are reduced because of retirement, death or disability, your Social Security benefits will be paid with taxes collected from people who are working at that time.

## Social Security is more than retirement

Your retirement is years away, but disability could be closer than you think. Studies show that a 20-year-old person

stands a 1-in-3 chance of becoming disabled before reaching retirement age. Generally, young workers need a shorter period of employment to qualify for Social Security disability benefits. For example, a worker who is under age 24 may qualify for benefits after 18 months of work that is covered by Social Security.

You can get disability benefits if you become severely disabled, are unable to do any kind of work for which you are suited, and your disability is expected to last for at least a year or to result in death. Your monthly checks continue for as long as you're disabled. And, if you receive disability benefits for 24 months, you're eligible for Medicare to help pay your health care costs.



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## If you have a family

As a young married worker, you have the same disability insurance protection as the single worker. In addition, your spouse and your children may receive monthly benefits. If you should die, survivors insurance protects your family because your children can receive monthly benefits until they reach age 18. Your spouse who cares for your eligible children can receive benefits until the youngest child reaches age 16. If your child had a disability that began before age 22, the benefits will continue until the child's disability ends.

If you have no children, your surviving spouse can receive benefits at age 60—age 50 if disabled. You and your spouse will have Medicare protection when you reach age 65. Medicare also is available should you or a dependent member of your family have permanent kidney failure.

## Why not your own pension plan?

A pension plan can be a valuable supplement to your Social Security, but it can't replace Social Security. Instead of replacing all of your income that's lost because of disability or retirement, Social Security is intended to provide a solid base of income that can be supplemented with a private pension, IRAs, investments and personal savings. Most pension and insurance plans don't provide the comprehensive protection you have under Social Security. Some may offer similar coverage—disability, retirement, survivors and health insurance—but they may

pay limited benefits. Also, pension plans don't usually have the broad range of dependent's benefits available under Social Security.

Unlike most pension plans, Social Security protection moves with you if you change jobs—no matter how many times. A worker who is employed with a company for a short time usually does not earn pension benefits. And any benefits that are earned can be lost by leaving the employment. With Social Security, you begin earning protection with the first dollar you make. This protection stays with you when you change jobs, move from one city to another, or move to another state.

Social Security has another important feature. Benefits are automatically increased to account for increases in the cost of living—a feature most private pensions don't offer.

## You're getting a good deal from Social Security

While you're working and paying Social Security taxes, you're buying valuable protection for today and for the future. Your employer is helping this protection by matching each dollar you pay in Social Security taxes and sending both amounts to the government.

For more information about your Social Security protection, call our toll-free number, **1-800-772-1213**, and ask for the booklet, *Social Security—Basic Facts* (Publication No. 05-10080). You can call anytime, 24 hours a day, seven days a week.